The good and the evil effects of war still continue, not materially abated. Shipping facilities have yet to become available to us. High prices and scarcity continue to prevail in the market in respect of most of our necessaries of life. But on account of the increasing demand for our raw products and manufactured goods and the large volume of war orders etc., the plethora of money in the land is evident. The revenues of the State are also correspondingly buoyant, even more buoyant than last year and promise to soar up to unattained heights; but the figures will undoubtedly be lower under conditions following the final cessation of hostilities and the restoration of normal conditions. It is then that we shall be confronted with very serious problems of an economic and social character and it is against that rainy day that we have to prepare ourselves. I hope that the House will therefore appreciate why the Budget that I am about to submit to them is designed to be the Budget for the future generation, including as its main feature a programme of reconstruction spread over many years yet to come, more than as a budget for the next year alone. But before I proceed to explain how this is so, I shall, as usual, briefly review the final results of the financial transactions of the last completed year.

ACTUALS OF 1119

2. The Budget for the last year was prepared on the basis of a total revenue of Rs 385·54 lakhs and a total expenditure charged to revenue of Rs 327·79 lakhs. The revised estimates were, however, fixed at Rs 489·41 lakhs for revenue and Rs 364·09 lakhs for expenditure. The actual collections of the year mounted up to Rs 506·11 lakhs, while the expenditure stood at Rs 366·20 lakhs, which was very nearly the same as the revised estimates. While there was a uniform increase of revenue under almost all the receipt items, the improvement was marked under Customs, Railway, Interest, Currency and Mint, Stamps and the State Transport. The general revision of salaries of the officers of Government in all ranks, the increase in the rates of war allowance and the extension of the scope of the same, chiefly account for the major portion of the increase in expenditure under the several major heads of accounts. Though there was no specific provision in the budget for the last year for the payment of any contribution to the War Fund, a sum of about Rs 4·49 lakhs was actually contributed to the Fund during the year, which, also accounts for the increase in expenditure. The year thus closed with a revenue surplus of Rs 139·91 lakhs, of which Rs 130·91 lakhs was credited to the Post-war Reconstruction Fund and Rs 9 lakhs to the Revenue Reserve Fund.

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[Mr. S. Narayana Aiyar]

3. On the capital side, the total expenditure during the year was only Rs 45·37 lakhs against Rs 60·65 lakhs anticipated in the Budget Estimates. This was due, as the House is well aware, to the difficulties in getting the necessary machinery and other materials from abroad.

REVISED ESTIMATES—1120

4. I shall now pass on to the current year. When framing the Budget Estimates for the year we anticipated a revenue realisation of Rs 532·19 lakhs and provided for a programme of expenditure charged to revenue of Rs 461·33 lakhs, thus leaving a revenue surplus of Rs 70·86 lakhs. But in the light of the actual experience of the previous months of the year and on the basis of the figures booked so far, the revenue is expected to mount up to Rs 607·12 lakhs, which is exceeded only by the revenues of Mysore and Hyderabad among the Indian States. The expenditure charged to revenue at the end of the year is expected to stand at Rs 440·67 lakhs with the result that the year is expected to close with a revenue surplus of Rs 166·45 lakhs, as against the budget forecast of Rs 70·86 lakhs. The variations between the Budget and the revised estimates, both on the revenue and the expenditure sides, are as usual explained in the Budget Memorandum, copies of which are placed on the table along with copies of the Budget Estimates for the next year. I shall therefore be needlessly taxing the patience of the House, if I were to go into the details of such variations, instead of just mentioning the more salient features of the changes. The anticipated increase in revenue is most conspicuous under Customs, Excise, Interest, Taxes on Income, our Industrial and Commercial undertakings, including specially the State Transport and to a lesser extent under Forests, Railways and Stamps, set off by a slight deterioration under Land Revenue and Registration. The increase under Customs is mostly under Land Customs, supplemented by an increase under Excise duty on matches, including the contributions from the Government of India. Abkari takes up the lion's share of the appreciation of the revenue under Excise. The substantial increase under Taxes on Income is the natural result of the large profits derived from war contracts and other business, as also to the assessment of Agricultural Incomes, under which have been brought our large Rubber, Tea and Cardamom Estates. The receipts under interest are expected to mount up by about two thirds more than the original anticipations on account of our large investments. The increase in traffic, both

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